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ABSTRACT

The policy-making and administrative roles of trustees and presidents are distinguished. The level of policy at which trustees should operate is dependent on the college's size and complexity and whether it is public or private. Trustee responsibilities of soliciting funds and selecting a president are acts of implementation in pursuit of a policy. In both cases, trustees not only set the policies to be pursued but also implement the policies. The following recommendations about roles are offered: while trustees have final responsibility for setting and implementing policy, policy-making should be a shared responsibility of trustees, faculty, and the administration; the governing board is responsible for setting the appropriate level of policy at which it will operate; administrators have the primary responsibility for implementing policy; trustees are also responsible for monitoring the execution of policy; in large, complex colleges, a delegation of policy from board to administration is feasible; public institutions differ from private colleges in the extent to which policy constraints are imposed by external bodies; and whenever possible, the board should encourage the president's office to formulate policy statements for board consideration. (SW)

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Policy vs. Administration

Because the issues involved often are oversimplified, many trustees and presidents have difficulty distinguishing their respective policy-making and administrative roles. In this publication, I propose a reformulation of the matter to clarify distinctions and provide a framework for more effective policy making.

The prevailing situation

Any discussion of policy and administration implicitly assumes that *policy* is the business of the board of trustees and that *administration* is the business of the president and staff. It is believed that if we could simply clear up the distinction between the two, we could resolve a great deal of the conflict that repeatedly arises between boards and their chief executive officers.

There is a good deal of truth in this view. So I will give some attention to the question, "What is policy?" in the hope of contributing some clarification to this issue. However—and unfortunately—the problem is complicated. Considerable confusion derives from the fact that policy is not—properly—the exclusive domain of trustees, nor is administration the exclusive domain of the president and his or her staff. Furthermore, this traditional dividing line ignores the increasingly significant role of faculty in policy making on most campuses; in fact, at some institutions, the faculty has become (by default) the chief policy-making body.

What is policy?

The uncertainty about what constitutes

policy accounts for much of the distress suffered by trustees, presidents, and faculty members in their relationships with one another. I define *policy* as "a general rule of principle, or a statement of intent or direction, which provides guidance to administrators in reaching decisions with respect to the particular matters entrusted to their care."

Concerning many aspects of college and university affairs, administrators often operate wholly without policy guidance from trustees. At some institutions, policy guidance largely relates to fiscal matters and can be lacking totally in such critical areas as curriculum, admissions policies, and tenure.

Trustees should never forget that they hold the entire institution in trust—not just its funds. The practical effect of this is that board members are obliged to make policy concerning every important aspect of university affairs: programs, faculty, students, facilities, staff, and finances.

To illustrate what I mean by policy, let us suppose (despite the improbability) that the trustees of one of the major gridiron powers decide that big-time intercollegiate football simply has gotten out of hand. The board could adopt some general statement to the effect that: "Less emphasis should be given in the future to intercollegiate sports." If the trustees acted in that form, the president and the coach probably would decide pretty quickly that the board was not really serious; besides, they could be confused as to exactly what was intended by the statement.

On the other hand, the board could give real policy guidance. For example, it might resolve: "From this day forward, with respect to recruitment, inducements to enroll, admissions, student financial aid, employment opportunities, academic grading standards, course selection options, class scheduling, discipline, attendance requirements, housing, degree requirements, and other like matters, there shall be no preferences given to students or prospective students on account of their athletic prowess." Such policy guidelines by trustees still would leave plenty of operating room for administrative implementation and interpretation.

Levels of policy

One of the policy-making functions of trustees is to determine the level of policy at which the board will operate, thus determining the levels of policy at which the administration will function. Furthermore, where faculty senates or committees are involved—as they properly should be in all academic policy matters—it is the duty of trustees to establish boundaries for their own policy formulation and consequently to establish the level of faculty prerogatives.

Such board policies can be either procedural or substantive. Procedurally, for example, the trustees might decide to consider only those tenure nominations that have the approval of the president, or they might develop a procedure under which a tenure appointment approved by the department or dean and disapproved by the president receives a review by the board's academic affairs committee. On the other hand, as Richard P. Chait and Associates noted in *Trustee Responsibility for Academic Affairs* (AGB, 1985), trustees are well advised

> to leave to faculty and academic administrators matters of detail in the criteria for tenure. The relative importance of refereed versus nonrefereed journals, the significance of coauthorship of articles, the relative importance of peer review of teaching versus student evaluations, are not matters for trustee considerations.

In substantive matters, such as those concerning an institution's academic programs (the broad questions of what degrees should be offered and what objectives various curricula should serve), trustees cannot responsibly delegate their final authority, for the character and mission of the institution are at stake. To perform such a critical function responsibly, trustees must look to the board's properly constituted academic affairs committee, which can obtain full and candid information from faculty members in the process of its deliberations but which finally will not be subservient to the professoriate. The academic affairs committee must preserve its independent judgment in order to advise trustees responsibly on the cru-

cial questions concerning the college or university's future.

As this discussion suggests, academic policy is multileveled with respect to both procedure and substance. Student financial aid as a factor in the admissions process is an example of a policy with heavy procedural and substantive implications. Trustees properly may decide whether to maintain or abandon a policy of admission without regard to student financial needs; a number of policy decisions flowing from that are best left to various levels of administration. If trustees are going to abandon the policy, however, they must be clear enough about their intent to provide the necessary policy guidance to those administrators who must formulate and carry out subordinate policies. And trustees must be sure to have weighed the academic implications of the policy (based on faculty opinion) after a careful analysis of the facts.

Institutional differences

The size and complexity of an educational organization—as well as its status as a public or private institution—largely determine the proper policy level at which its trustees perform. Here, much depends on the depth and expertise of available staff support.

Let's use as an example the decision to sell a piece of commercial real estate. A large urban university with extensive property holdings could go forward with such a sale merely as an element of its investment policy—provided the property does not raise significant community or environmental issues. The university might have a seasoned senior officer with years of experience in such transactions. In such a case, it will be sufficient for the governing board's investment committee to determine that the sale is consistent with existing investment policy and routinely report the sale to all the trustees.

How different from the situation of a small liberal arts college in which the sole professional business officer has no real estate experience, a president who has no business background, and where the success or failure of the transaction will determine the institution's fiscal health for generations. In such a case, the whole

board must be involved in basic policy decisions, and one or more trustee committees will need to provide further policy direction and specific advice at critical decision points.

Significant differences in the levels of policy making also can depend on public or private control. Most states have fixed levels of policy determination (decreed through legislation, via official coordinating bodies, or both) establishing limits within which the trustees of a public institution may operate. For example, today it would be unusual to find a board of trustees of a public institution that could establish a law school on its authority alone. While it is true that state regulation also has reached much farther into the affairs of private institutions in the last 20 years, it is nevertheless fair to say that there is more freedom of policy action in private institutions than in public institutions in most states today.

The main policy concerns of private governing boards remain those of guidance and delegation downward and inward; the main policy concerns of public governing boards are those imposed from above and outside. I don't mean to suggest that private trustees are or should be less concerned than public trustees with, for example, state and federal student-aid policies. I do mean that a private board, on its own accord, could decide how or whether to respond to federal student-aid policies, while a public board first would have to determine whether action already had been preempted by a "super" board or a coordinating body or by the legislature itself.

In brief, the level of policy at which trustees should operate is not determined by a simple, hierarchical rule. It depends upon the size and complexity of the institution and on its ultimate source of control—either public or private.

Sources of confusion

Certain functions properly performed by a board operating at any level are *particular* in character and are not board policy; others are *implementing* in character, not simply goal-setting. Such activities demonstrate that the respective roles of boards of trustees, on one hand, and of the faculty,

president, and staff, on the other, are not defined by the distinction between policy and administration.

Trustees of private institutions—and increasingly their public counterparts as well—are expected to raise money for the institution, hence the familiar maxim, "give, get, or get off." Writing a check or asking a prospective donor for a gift is not policy making; it is a particular act undertaken in pursuit of a policy (just like a president or development officer asking for a gift in pursuit of a policy). Of all the complaints I have heard from presidents and professors concerning trustee behavior, I have not once heard the argument that trustees should stop giving or getting donations because it oversteps their policy role! (However, let me make clear that it is *always* wrong for a trustee—or president for that matter—to solicit funds from a donor for a purpose that the board has not approved.)

Generally, it is conceded (though sometimes grudgingly) that it is the board's duty to select the president. There might be search committees; there might be nominations and recommendations; but finally, trustees sitting in formal session must elect the president. The person is not a policy; the particular act of selecting the president is an act of implementation in pursuit of a policy.

A new framework

It appears that two of the functions universally conceded to be appropriate to the role of trustees—soliciting funds and selecting a president—are acts of implementation in pursuit of a policy. In both cases, the trustees must not only set the policies to be pursued but also are required to carry out the policies. It becomes necessary then to reformulate the distinction between the responsibilities of trustees, of the faculty, and of the administration. For such a reformulation, I propose the following framework:

In colleges and universities, policy making is a shared responsibility of the trustees, the faculty, and the administration.

- The trustees have final responsibility for policy governing all aspects of the institution's affairs: programs, fac-

ulty, students, staff, facilities, and funds.

- There are levels of policy appropriate to each aspect of the institution's affairs and to each of the three responsible bodies. It is the board's responsibility to set the appropriate level of policy at which it will operate, thus providing the guidance necessary for policy making by faculty and administrators.
- Policies adopted by the faculty and administration must be consistent with or subordinate to policies adopted by the board.

The carrying out of policy also is a shared responsibility of the administration, the faculty, and the board.

- The primary responsibility for implementing policy lies with the administration.
- Trustees must delegate responsibility for carrying out policy wherever possible, but they cannot avoid certain tasks and decisions in implementing policy, e.g., the solicitation of funds, the selection of the president.

To limit the trustees' functions to policy formulation would exclude one of their most critical but least-used prerogatives: To monitor the execution of policy.

- If the administration and the faculty have been discriminating against women in employment for years, it is unlikely that a new policy of explicit nondiscrimination will be enforced unless the board thoroughly monitors the policy on a regular basis.

The appropriate shares of responsibility for policy making and the implementation of policy among trustees, faculty, and administrators will vary by size and type of institution.

- In large, complex institutions, the depth and experience of professional staff usually permits a delegation of policy from board to administration that would not be feasible in a small college.
- Public institutions will differ from private institutions in the extent to which policy constraints are imposed by external bodies.

While the board must not delegate its responsibility to make policy in fundamental matters, it generally will be well-advised to encourage the president and his or her staff to exercise the initiative in formulating policy statements for board consideration whenever possible.

- In this way, the crucial leadership role of the president is not compromised.
- Equally important, the prospects for faculty and staff support of board policies are enhanced significantly if faculty and staff have contributed to policy formulation.

The policy-making responsibilities of the board impose burdens many trustees are not prepared or willing to shoulder. For those who simply are not willing, the best solution is to get off the board. For those who are not fully prepared, the Association of Governing Boards offers many opportunities to learn and develop.

For trustees who are both willing and prepared, I believe their great responsibility is to set exacting standards for board membership. Trustees must attempt to impress such standards on public officials if the latter have the appointing authority. Wherever trustees elect their own colleagues—largely the case in virtually all private institutions—they have the inescapable obligation to choose peers having the talent and commitment commensurate with the fateful responsibilities of board members.

The intent of this series is to provide informed perspectives from individuals who are knowledgeable about trusteeship and institutional governance. Their views are their own, however, and should not be construed to be official AGB positions, policies, or prescriptions.

This booklet is the fifteenth in a series, AGB Pocket Publications, designed to give both new and experienced trustees concise, summary information on subjects and issues of high interest to governing boards.

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